

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
NORTHERN DIVISION

- - -
EQUAL EMPLOYMENT : CIVIL NO.
OPPORTUNITY COMMISSION:
and :
KATHY C. KOCH :
INTERVENOR/PLAINTIFF:
v :
L.A. WEIGHT LOSS :
CENTERS, INC. :
Defendant : WDQ-02-CV-648

- - -
NOVEMBER 16, 2004
- - -

Oral deposition of VAHAN KARIAN,
taken pursuant to notice, was held at the
offices of the EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION, The Bourse
Building, 4th Floor, Philadelphia, PA,
beginning at 9:35 a.m., on the above
date, before Nancy D. Ronayne, a Court
Reporter and Notary Public in the
Commonwealth of Pennsylvania.

- - -
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VAHAN KARIAN

<p style="text-align: right;">Page 10</p> <p>1 A. I believe it's L.A. Weight 2 Loss Franchise Corporation. 3 Q. Currently does Mr. Katz hold 4 any offices or titles with L.A. Weight 5 Loss Centers Incorporated? 6 A. No. 7 Q. Prior to this sale and split 8 off of the franchise portion of the 9 business, what percentage of the company 10 did Mr. Katz own? 11 A. Fifty percent. 12 Q. Do you own the other 13 50 percent? 14 A. Yes. 15 Q. At some point in time Mr. 16 Moyer also, Scott Moyer, also owned an 17 interest in the company, correct? 18 A. Yes. 19 Q. And that ended back in 2001; 20 is that correct, or 2000? 21 A. I think it was 2002. 22 Q. 2002? 23 A. I believe so. 24 Q. And he owned about a five</p>	<p style="text-align: right;">Page 12</p> <p>1 A. No. She had jobs in the 2 early '90s, 1990, '91, but then we had 3 children so she's a homemaker at this 4 point. 5 Q. Okay. I'd like to talk 6 about the business for a little bit? 7 A. Sure. 8 Q. Can you tell me what do you 9 see as sort of the central business 10 purpose of an L.A. Weight Loss Center, 11 the functions of an L.A. Weight Loss 12 Center? 13 A. Well I think the central 14 business purpose is to provide 15 nutritional counseling to overweight 16 people to help them loss weight. 17 Q. And there is a sales 18 component to what L.A. Weight Loss 19 Centers does, correct? 20 A. Correct, yes. 21 Q. What portion of the business 22 would you say is sales in terms of the 23 centers operations? 24 A. I would say that the sales</p>
<p style="text-align: right;">Page 11</p> <p>1 percent interest; is that correct? 2 A. Yes. Five percent of the 3 non-voting stocks. 4 Q. Prior to the sale and the 5 split off of the franchise portion of the 6 business, did Mr. Katz hold any offices 7 with L.A. Weight Loss Centers 8 Incorporated? 9 A. He was co-chairman of the 10 board, that was it. 11 Q. Have you been the chief 12 executive officer since the start of L.A. 13 Weight Loss Centers Incorporated? 14 A. Yes. 15 Q. You've been the president 16 since the start of L.A. Weight Loss 17 Centers? 18 A. Yes. 19 Q. Seems to me I recall 20 something about your spouse being 21 involved in running either this business 22 L.A. Weight Loss Centers Incorporated or 23 Quick Weight Loss; is that memory correct 24 or --</p>	<p style="text-align: right;">Page 13</p> <p>1 obviously is the main portion of the 2 first 45 minutes that a client is 3 introduced to the store, but for the 4 following 16 weeks on average it's all 5 customer service. And I mean people buy 6 things along the way but it's not 7 necessarily sales per se beyond the third 8 day even. 9 Q. Now we're talking about sort 10 of sales in the abstract, what exactly is 11 sold at a L.A. Weight Loss Center? 12 A. Well there's two parts. 13 There's the service portion of the 14 program where they buy we'll call it 15 memberships and the second part is we 16 sell nutritional supplements that are an 17 optional part of our program that the 18 clients also purchase. 19 Q. What would you say is the 20 main source of revenue at L.A. Weight 21 Loss, is it supplements, is it the sale 22 of the program, what is it? 23 A. On average it's about 60-65 24 products, 35 percent service.</p>

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<p style="text-align: right;">Page 26</p> <p>1 when you say business consulting all 2 aspects of the business, those are the 3 three main things. 4 Q. Training, what kind of 5 training? 6 A. When somebody initially buys 7 a franchise they receive an owner's 8 training so they're taught all the parts 9 of the business, how to advertise, how to 10 train themselves, learning about the 11 diet, so on and so forth. And we also 12 provide training to their employees more 13 alienated to the operations of the store. 14 Q. Who provides their training? 15 A. Employees of the company. 16 Q. Have you ever provided their 17 training personally? 18 A. I believe I have 19 participated in owners' training but 20 never have I given exclusively a class on 21 training to a franchise. 22 Q. Do you recall what period of 23 time that was when you've done that? 24 A. Ongoing. I mean we're</p>	<p style="text-align: right;">Page 28</p> <p>1 A. Right. I believe that we 2 placed the ads on the Internet for them 3 and took the initial calls or applicants 4 and did some initial screening for them 5 and set up interviews for either the 6 franchisee or the franchisee's employees. 7 Q. Did L.A. Weight Loss Centers 8 Incorporated make any actual hiring 9 decisions, any selections for the 10 franchisees? 11 A. No. No, we did not. 12 Q. Did L.A. Weight Loss Centers 13 provide training to the franchisees on 14 selection of employees? 15 A. Yes. 16 Q. How long did the company do 17 that? 18 A. I would think that we did it 19 since we've been franchising. 20 Q. Since 1997? 21 A. Correct. 22 Q. I want to talk a little bit 23 about the history of the company. My 24 understanding is I don't-- I want to try</p>
<p style="text-align: right;">Page 27</p> <p>1 talking about maybe coming in for a half 2 hour and offering my suggestions and 3 answering questions as part of their 4 training. 5 Q. It's my understanding that 6 in the past L.A. Weight Loss Centers has 7 provided recruiting, employee recruiting 8 services to its franchisees; is that a 9 correct statement? 10 A. Yes. 11 Q. Can you elaborate on that, 12 what kind of services in that realm? 13 A. All right. Now I'm going to 14 elaborate as much as I know because 15 during that period that we provided that 16 service my focus was primarily on the 17 corporate operations, so. 18 Q. Let's be clear, what period 19 are we talking about? 20 A. I believe the last year or 21 two. 22 Q. Can you tell me what kind of 23 recruiting functions were done by the 24 corporate, by L.A. Weight Loss Centers?</p>	<p style="text-align: right;">Page 29</p> <p>1 and keep this as brief as I can today so 2 I'm going to spoon feed you some of the 3 stuff. 4 A. Okay. 5 Q. My understanding is that 6 L.A. Weight Loss Centers Incorporated was 7 a combination of a number of companies; 8 is that correct? 9 A. Yes. 10 Q. And some of the names of the 11 companies included Quick Weight Loss 12 Centers Incorporated, right? 13 A. Yes. 14 Q. Medical Weight Loss Center 15 of Central-- Center Pennsylvania; is that 16 correct? 17 A. I think it was Weight Loss 18 Centres of Central Pennsylvania, then we 19 had Weight Loss Centres of New York, New 20 Jersey. There was Medical Weight Loss 21 Centers in Pennsylvania. I'm not sure if 22 there were any other companies. 23 Q. These companies were owned 24 by either yourself or Scott Moyer,</p>

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<p style="text-align: right;">Page 30</p> <p>1 correct?</p> <p>2 A. Well, not exclusively,</p> <p>3 either they were owned by me or they were</p> <p>4 owned by myself and Scott.</p> <p>5 Q. Okay. So we have Physicians</p> <p>6 Weight Loss Center, Medical Weight Loss,</p> <p>7 Weight Loss Centres of New York, Weight</p> <p>8 Loss Centres of New Jersey, Quick Weight</p> <p>9 Loss Centers, can you think of any</p> <p>10 others?</p> <p>11 A. We were never physicians.</p> <p>12 Q. Okay, I'm sorry.</p> <p>13 A. I'm not sure. I recall in</p> <p>14 Pittsburgh we talked about being called</p> <p>15 Family Weight Loss Centers but I'm not</p> <p>16 sure if we actually did that, that's like</p> <p>17 going back to like '96, it was for a very</p> <p>18 short period of time. And we may have</p> <p>19 done business under that name but under</p> <p>20 the corporation of Weight Loss Centres of</p> <p>21 Pennsylvania, that would be it as I can</p> <p>22 recall.</p> <p>23 Q. At the time that all these</p> <p>24 companies sort of were merged or were</p>	<p style="text-align: right;">Page 32</p> <p>1 Loss Centers Incorporated?</p> <p>2 A. Yes. Whatever policies</p> <p>3 existed at the time they were merged into</p> <p>4 the company and imported into them.</p> <p>5 Q. Did all these companies have</p> <p>6 the same procedures and policies and ways</p> <p>7 of operating their centers?</p> <p>8 A. Let me think about that.</p> <p>9 Pretty much, yes.</p> <p>10 Q. So I guess what I'm getting</p> <p>11 at is, was there any significant change</p> <p>12 at the time that L.A. Weight Loss Centers</p> <p>13 Incorporated was formed, was there any</p> <p>14 significant change in the way the centers</p> <p>15 that were formally other corporations</p> <p>16 were doing business?</p> <p>17 A. Not at the center level, no.</p> <p>18 Q. I want to talk about one of</p> <p>19 those businesses. How long was Quick</p> <p>20 Weight Loss Centers in existence?</p> <p>21 A. 1993 I believe we opened our</p> <p>22 first store in Baltimore and I guess that</p> <p>23 existed until the time of the merger</p> <p>24 which would have been February of '97.</p>
<p style="text-align: right;">Page 31</p> <p>1 ultimately organized as this L.A. Weight</p> <p>2 Loss Centers Incorporated, was there any</p> <p>3 one company or more companies whose mode</p> <p>4 of doing business, policies or</p> <p>5 procedures, anything of that nature, was</p> <p>6 adopted by the new company, by L.A.</p> <p>7 Weight Loss Centers Incorporated?</p> <p>8 A. Make sure I understand the</p> <p>9 question, your question. You want to</p> <p>10 know if there was another company that</p> <p>11 merged into what became L.A. Weight Loss</p> <p>12 Centers?</p> <p>13 Q. Well, of those companies</p> <p>14 that eventually became L.A. Weight Loss</p> <p>15 Centers that we just talked about.</p> <p>16 A. Right.</p> <p>17 Q. What I'm trying to get at</p> <p>18 is, is any one of them or more of them</p> <p>19 were there policies or were there</p> <p>20 procedures regarding anything, regarding</p> <p>21 how the centers operate, regarding</p> <p>22 recruiting, regarding basically any</p> <p>23 aspect of operations, were those imported</p> <p>24 into the new business into L.A. Weight</p>	<p style="text-align: right;">Page 33</p> <p>1 Q. At the time of the merger</p> <p>2 how many centers were there within Quick</p> <p>3 Weight Loss Centers?</p> <p>4 A. Quick Weight Loss Centers,</p> <p>5 I'm going to guess between six and eight,</p> <p>6 but.</p> <p>7 Q. How many originally L.A.</p> <p>8 Weight Loss Centers were there?</p> <p>9 A. Original L.A. Weight Loss?</p> <p>10 Q. Yes. When it was first</p> <p>11 organized in February of '97?</p> <p>12 A. Well, none of them were</p> <p>13 original they were all parts of different</p> <p>14 companies.</p> <p>15 Q. Right, but when they became</p> <p>16 L.A. Weight Loss Centers?</p> <p>17 A. How many total were there?</p> <p>18 Q. Yes.</p> <p>19 A. 47 is the number that comes</p> <p>20 to mind. 47 or 43.</p> <p>21 Q. It's an approximate?</p> <p>22 A. Yes.</p> <p>23 Q. Can you tell me who your</p> <p>24 managers were at Quick Weight Loss,</p>

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